

Tronox Financial Meeting Summary
Thursday, June 8, 2017 9:00 a.m. – 12:00 p.m.
Navajo Department of Transportation, Conference Room 308/309
#16 Old Coalmine Road, Mentmore, NM

Overall Outcomes for this meeting:

- 1) Communicate how Tronox dollars are being spent
- 2) Give Navajo the information they need to brief the President

Representatives from the following agencies attended the meeting:

- Navajo Nation Environmental Protection Agency (NNEPA)
- Navajo Nation Abandoned Mine Lands (NNAML)
- U.S. Environmental Protection Agency Regions 6 and 9 (USEPA)

Participants: see sign-in sheet¹ (p. 9)

Summary

Approximately 20 people gathered on June 8, 2017 in Window Rock for the Tronox Financial Meeting. The focus was on sharing the current Tronox financial report and soliciting feedback on its format and content and discussing the Response Assessment and Evaluation Services (RAES) Contract, including how it will help increase numbers of employed Navajo.

Action Items Identified During the Meeting

What	Who	By When	Status
1. Set up a meeting with Freida White and Warren Zehner to review specifics on Tronox projects.	Chip Poalinelli and Kevin Shade	July 9, 2017	
2. Send an electronic copy of the Tronox Financial Report to Madeline Roanhorse.	Chip Poalinelli	July 9, 2017	
3. Send Dr. Benn paperwork indicating where the Tronox interest goes.	Chip Poalinelli	June 30, 2017	
4. Send Dariel Yazzie the interest earned to date on the Tronox Special Account.	Chip Poalinelli	June 30, 2017	
5. Work to establish contact with the Navajo Nation Business Regulatory Department as well as with the NM contact with the Office of Environmental Justice, Tribal and Internal Affairs. Include Juan Massey (NNOPVP)	Kevin Shade, Chip Poalinelli and Marietta Jensen	June 30, 2017	

¹ See Attachment 1 to this document.

6. Work together to craft an announcement in Navajo that discusses the RAES contract for eventual airing in the weekly President's message once the RAES contract drops in July 2017.	Dr. Benn and Alex Kramer	June 30, 2017	
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Opening – Lori Lewis (Facilitator)

Lori Lewis welcomed meeting participants to the Tronox Financial Meeting and invited Chip Poalinelli (USEPA Region 9) to provide opening comments.

Introduction/Welcome

- Chip welcomed participants and explained that the goal for this meeting is to communicate how Tronox dollars are being spent from FY2011 through FY2016 and to give the Navajo Nation the information they need to brief the President.

Quick Agenda Review and Logistics

- Lori Lewis walked through the agenda and logistics for the meeting.

Tronox Financial Report – Kevin Shade (USEPA Region 6) and Chip Poalinelli (USEPA Region 9)


Review the Report

- Please see the Tronox Navajo Area Uranium Mines FY2011 through FY2016 Financial Report for details as well as the PowerPoint slide file for presentation details— Tronox NAUM Financial Meeting – June 8th.pptx.

Tronox NAUM Financial Report (Fiscal Year 2011 through 2016)

As of the end of FY2016 (September 30, 2016), USEPA has spent approximately \$18.8 million of the \$918 million for cleanup of the "Navajo Area Uranium Mines" and has spent approximately 2.7 million of the approximate \$92 million for the cleanup of the Quivira Mine Site.

- Tronox Navajo Area Uranium Mines:
 - Northern Agency – USEPA Region 9 (i.e. Cove Watershed Assessment, MCAP, Transfer Station #1/#2 Interim Removal Action, ASPECT) = ~\$11.6 million
 - Eastern Agency on the Navajo Nation – USEPA Region 9 (Ambrosia Lake Section 32/33 mine Interim Removal Action) = ~\$1.6 million
 - Eastern Agency adjacent to the Navajo Nation – USEPA Region 6 (Ambrosia Lake Groundwater Assessment and Section 35/36 mine Assessment – EE/CA) = ~\$5.6 million
- Quivira Mine Sites
 - Northeast Church Rock Quivira Mines on the Navajo Nation – USEPA Region 9 (Removal Action, Engineering Evaluation/Cost Assessment) = ~2.7 million



- Freida White (NNEPA) asked, “As of 2016, these are the numbers (see slide above). How much more has been awarded to these areas? What are the actual costs for the projects?”
 - Chip replied that for Cove, USEPA flew the ASPECT plane, which was \$200,000. Then it put “boots on the ground,” which was \$600,000. What is found in these two endeavors will dictate future costs there.
 - **Kevin Shade (USEPA Region 6) will provide Freida White the Phase I and II data from the Ambrosia Lake Groundwater Assessment by June 30th.**
- Freida noted that there is a lot of Navajo Nation land in the Western Geographic Sub-Area (GSA) of the Eastern Agency that is adjacent to the Navajo Nation and per Warren Zehner’s presentation at the last Tronox meeting in March 2017, there is a lot of contamination there.
 - Will Duncan responded that though this is a good question, the focus of the meeting today is funding. The priorities selected were presented to the whole stakeholder team and approved. Since this is a financial-focused meeting, perhaps **Chip and Kevin can set up a separate meeting with Freida and Warren to review specifics on Tronox projects by July 9th.**
- Dr. Benn emphasized that this meeting provides a good opportunity for his staff to ask these tough questions. He suggested these questions get captured on paper, perhaps in the form of a Frequently Asked Questions (FAQs) document that can be placed within the Tronox Financial Report. If these questions get answered, participants will not continue to ask them at every meeting.
- Madeline Roanhorse (NNAML) had questions about the data and what decisions are made for future work. She thought the groundwater contamination is flowing away from the Navajo Nation.
- Dariel Yazzie (NNEPA) expressed concern regarding the two mines in USEPA Region 6 potentially requiring all the money in the Tronox settlement. From Navajo Nation’s perspective, the focus should be in areas located on the Navajo Nation. He asked how the group is going to best manage using the 1 billion dollars. By addressing mines adjacent to Navajo Nation? Or by addressing mines *on* Navajo Nation. The focus should be placed on making the biggest impact possible on the Navajo people. USEPA seems to be moving forward with these Region 6 mines that are adjacent, but how can us Navajo convey that as a success to the Navajo people when there are so many other mines *on* Navajo lands that have not yet been addressed.
 - Chip asked Dariel how USEPA can make sure Navajo people feel heard.
 - Information was requested by the Navajo regarding how much Tronox funding has gone to Navajo jobs.
- Kevin explained that those two mines (the East GSA in Ambrosia Lake and Quivira) are just the first two mines we have data on. They are just being used as an illustration to get the group thinking that the upper range option is not an economical choice in the east GSA if the group wants to focus on other areas. If the group wants to maximize its ability to make a positive impact on the Navajo Nation, we must look at alternative options in order to meet the needs of the whole Navajo Nation.
- Chip reiterated that this is why USEPA wants to work together as a group to prioritize these 54 mines.
- Sona Chilingaryan added that there is so much happening at the Cove area, which contains Tronox mines *on* Navajo land.

- Dariel – being the Navajo group we are, when we are reporting this information to the President and council, we want to include what has been utilized to support the President’s Four Pillars, which includes the number of Navajo Nation people employed utilizing Tronox funds.
- Madeline recommended that USEPA use the electronic reporting system used by NNAML called EAMs. NNAML uses it to report to Federal agencies. It allows us to track specific costs by feature. The reports generated by EAMS can even be given to Congress.
 - Chip explained that the financial report he passed out to participants in the room contains specific costs tracked by feature. **Chip will send an electronic copy of the Tronox Financial Report to Madeline by June 9th.**
- Freida noted that once she receives the raw data for the ground water and GIS data files from the Phase 1 from USEPA Region 6, NNEPA will have questions for the next meeting, whether it is in person or over the phone or Adobe Connect. **Chip and Kevin will work with Freida to identify the format of the meeting as well as date/time/location of the meeting within 30 days.**
- Dr. Benn asked whether there are caps on the mines.
 - Chip explained that the settlement is broken into two parts. There are 49 mines that are Tronox mines for a total of \$910 million and then there was a second part of the settlement just for the Quivira mines for a total of \$92 million. Quivira does have a cap of \$92 million dollars, but there are no caps on the other mines. However, USEPA cannot use the \$92 million Quivira money on any of the other 49 mines.
 - There is approximately \$988 million remaining. Participants should keep in mind that the settlement money is the total money. There will be no more unless enforcement actions are taken on potentially responsible parties (PRPs).
- Dr. Benn asked where the interest goes?
 - Chip explained that the current interest rate is 0.67%, which comes to about \$8 million a year and it goes straight back into the pot of Tronox money. It can only be used for the benefits of the Tronox mines. It cannot be spent by USEPA Headquarters or any other group or agency.
 - **Chip will send Dr. Benn paperwork showing where the interest goes by June 30th.**
 - **Chip will send Dariel the current balance of the interest by June 30th.**
 - USEPA explained that it is currently looking into improving the interest rate as well so that the group can obtain even more funds for Tronox actions. USEPA is trying to do everything it can do to maximize the funds available.
 - Dr. Benn asked whether it is possible for NNEPA to have access to the interest for their operations (e.g., hiring four RPMs).
 - Chip explained that there is no difference between interest and Tronox money; it is all the same pot of money. The only method of getting money to the Navajo is through grants.
 - Will brought up the \$42 million grant from Tronox, which could be used to hire employees. That would be a good way to spend that money.
 - Dariel mentioned that the Navajo would like to reserve that money for projects of their own priority.
 - Will thinks it is a missed opportunity because so many more projects of Navajo’s choosing could be accomplished if Navajo had ten technical Superfund staff instead of three.
- Dr. Ben envisions that USEPA should set Navajo back up in a good position to operate on their own. The vision is for Navajo to be able to step up and govern themselves.

Employment Issue – Autumn Roe (USEPA Region 9) and Alex Kramer (USEPA Region 9)

Autumn Roe and Alex Kramer provided an overview of the Response Assessment and Evaluation Services (RAES) Contract.

Response Assessment and Evaluation Services (RAES) Contract

- When the acquisition group last met, USEPA went through the various contracts that would be awarded and put in place. The first major one is the RAES Contract. The Request for Proposals (RFP) for the RAES was released Aug 30, 2016. USEPA held two industry days in September 2017, one in Twin Arrows and one at NTV. Proposals were due on Oct 31, 2017 and USEPA contracting is in the process of doing the last step of evaluation on the proposals. We will soon make the award decision and award the contract next month, which will put Chip in the field in the fall.
- Built into the solicitation were specific evaluation criteria geared toward Navajo. How many Navajo each bidding entity would employ and how many dollars would go to Navajo firms, as well as how the company would train Navajo businesses to help prepare them to work on these contracts themselves in the future. The hope is that Navajo businesses would be in a better position to participate in future contracts. USEPA also included labor categories with technical aspects for Navajo workers.
- In addition to the larger assessment pieces, USEPA created a small business set aside for cultural resources with the same stipulations (i.e., utilization of Navajo employees, job training, etc.).
- As part of the process, all contractors applying submitted their plans answering those questions. Once one is selected, USEPA will make that contractor's plan available to the public in July.
- The Navajo President always asks us:
 - (1) What is the purpose
 - (2) How much money, and
 - (3) How long will it take/last
- Autumn explained that USEPA established a large indefinite delivery/indefinite quantity (IDIQ) contract with an \$85 million ceiling. It is dependent on the projects the group anticipates doing. It is a 5-year term maximum.
- Freida wondered what the labor categories are for the bigger part of the contract.
 - There is a long list of labor categories. They are all in the RFP that was provided to everyone last summer when it came out.
- Dr. Benn pointed out that he did not see any Navajo companies at the industry days.
 - There were Navajo companies there at both, but fewer at the first industry day.

Navajo Employment Numbers and How to Increase Them

- How do we get from 118 Navajo employed to 3,500? The President was disappointed with 118.
 - Thus far, USEPA has only been able to use its existing contract vehicles, which do not have the special Navajo evaluation criteria that was built into RAES. This is why the number is pretty low. We have only been able to hire Navajo here and there. But once RAES drops next month, this number will increase.
- Dr. Benn explained that the President wants NNDOT to be hired to do all the road projects necessary for gaining access to mine sites.
 - Chip is working on a similar access road for Cove and is going to use an 8a Navajo company. It is not NNDOT, but it is a Navajo company.
- Chip requested that Dr. Benn take these numbers back to the President:

- Quivira bridge work has been awarded to an 8(a) Navajo firm.
- Cove RSE access road work potentially may be awarded to an 8(a) Navajo firm. We are conducting a preconstruction site walk on June 22nd.
- The focus on the RAES contract, when awarded, is capacity building on the Navajo Nation and these firms will be able to compete for the larger contracts after this 5-year period.
- Freida noted that INIBA, a Navajo firm, was mentioned. But the firm had to hire non-native sub-contractor specialists from Tucson to be able to do the work they were hired for.
- Dr. Benn asked if there will be any effort to address Navajo preferences in the hiring of the companies.
 - Alex explained that USEPA looks at the businesses that qualify for 8a and select from those. USEPA likes to select companies that meet both the 8a criteria and the Navajo Preference Program from the priority list. Autumn is actively calling companies on the priority list to let them know of opportunities and has been encouraging the Hub Zone Program. USEPA Contracts looks for the nexus between the two programs.
 - Alex and Autumn are also working with Juan Massey (NNOFVP) on this effort and on helping Navajo companies get certified as 8a or other Small Business Administration (SBA) programs.
- Kevin mentioned that Warren Zehner (USEPA Region 6) has made efforts with his Removal Site Evaluation (RSE) and Engineering Evaluation/Cost Analysis (EE/CA) processes to hire Navajo but he is experiencing the following barriers:
 - Capacity of Navajo firms to do the work.
 - Not a lot of Navajo firms are certified under 8a or other SBA programs.
 - Distance and Cost. He has hired four Navajo businesses (Sacred Winds for internet services, Charisma Mountain for ecological resources support, Navajo Sanitation for roll off boxes and disposal, and a Navajo individual to translate his storyboards into Navajo). But there are barriers. Navajo Sanitation pulled out because it was too far of a drive for them to go to Ambrosia Lake.
 - Lack of a License. A lot of Navajo businesses are not licensed to do business in the State of NM. Ambrosia Lake is off the reservation and it is in the jurisdiction of NM and if the company is not licensed, we cannot use their services under federal acquisition regulation.
 - To be licensed to do cultural resource surveys in NM, a company has to obtain a license from the State of NM. Many states have reciprocity agreements. If a company has a license for work in one state, that company can often perform work in a bordering state too. This needs to be conveyed to the NM Historic Preservation Division. Is there a way for the Navajo Nation to speak to them about reciprocity agreements?
 - Are there tools that can be utilized to encourage more Navajo firms to obtain licenses in NM?
 - Marietta Jensen (NNAML) suggested setting up a meeting with the Navajo Nation Business Regulatory Department (NNBRD) and USEPA to explain what USEPA is trying to accomplish with the RAES contract. ***Kevin and Chip and Marietta will work together to establish contact with the NNBRD as well as with the NM contact with the Office of Environmental Justice, Tribal and Internal Affairs by June 30th. They will include Juan Massey.***
 - Freida requested that the NNBRD office develop recommendations for Navajo businesses for getting licensed, etc.

- Hesitation from Navajo firms to partner with non-native firms. If Navajo firms will not partner, then the capacity building portion of RAES will be negatively impacted. Alex has found that it is not always the case that the native firms do not want to work with non-Navajo firms, sometimes the native firms do not think it is okay to work with non-native firms.
 - Alex suggested having the President put out statements telling Navajo firms that they are encouraged to partner with non-native firms.
 - Dr. Benn wants to make an announcement in Navajo to discuss the RAES contract in the weekly President's message (15 minutes on air). ***Dr. Benn and Alex will work together to craft the announcement by June 30th.*** The announcement should be made after the contract drops next month. Also, the announcement should be placed in the Navajo Times, Gallup Independent, and the Flagstaff paper. Many contractors look for jobs in these papers.

Future Tronox Financial Reporting Format and Content– Lori Lewis (Facilitator)

Chip Poolinelli checked for agreement on the format and content for future Tronox financial reports.

- Please see the Tronox Navajo Area Uranium Mines FY2011 through FY2016 Financial Report for details as well as the PowerPoint slide file for presentation details— Tronox NAUM Financial Meeting – June 8th.pptx.
- Chip asked Dr. Benn whether the current financial report has the level of detail he needs in order to brief the President.
 - Dr. Benn replied that this current version has enough detail, though the previous version shared at the March Tronox meeting did not.

Closing – Lori Lewis (Facilitator)

Lori Lewis reviewed action items and the bike rack.

Bike Rack

There were no items placed on the Bike Rack.

Closing Comments

- Kevin clarified that the Phase 2 groundwater study is not complete so he can only get Freida White the raw data, not the GIS shake files. He can, however, provide the GIS shake files for the Phase 1.
- Ben thanked participants for the opportunity to have this meeting. USEPA Region 6 would like to work with participants in any way it can to clarify confusing questions or issues.
- Will thanked participants for coming and for their flexibility in discussing different topics than were on the original agenda.
- Madeline thanked participants for coming and requested that USEPA consider providing more funding in the form of grants to the Navajo Nation. What they are receiving is very limited and not adequate.
- Dr. Benn thanked Lori for keeping the group on track. He also wanted to leave participants with the following six thoughts:

- Need to take a look at the RAES hiring mechanism
- Address the mines using Navajo CERCLA
- Really consider the Navajo Fundamental Law
- As far as purpose goes, the President wants numbers and timelines and one-liners
- The Navajo Nation Uranium Commission is coming on board. We keep bringing up Fundamental Law and when they come aboard, we need to be ready for their questions. He wants to give the Navajo Nation Uranium Commission good news and be able to tell them how this group is addressing the issues. He is certain there will be a lot of criticism for this group, even toward NNEPA.
- Dr. Benn will speak to the President about the RAES contract.

Attachment 1: June 8, 2017 Tronox Financial Meeting Sign-In Sheet

June 8, 2017 9-12 : Tronox Financial Meeting		
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